

Message Text

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PAGE 01 GUATEM 03339 280804Z

51

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 TAR-01 L-03 CIAE-00 COME-00

DODE-00 DOTE-00 FMC-01 INR-07 NSAE-00 CG-00 OFA-01

DLOS-04 TRSE-00 (ISO) W

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R 272318Z JUN 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 7199

LIMITED OFFICIAL USE GUATEMALA 3339

E.O. 11652: N/A

TAGS: EWWT, GT, US

SUBJECT: DELTA/FLOMERCA PROBLEM

REF: A. GUATEMALA 3295 B. GUATEMALA 3222 C. STATE 148704

QU D. STATE 149085

1. FOREIGN MINISTRY ECONOMIC ADVISOR RUBIO TOLD EMBOFF THAT HIS "DICTAMEN" AND ACCOMPANYING DRAFT LAW (REF. B) HAS BEEN RETURNED TO FOREIGN MINISTRY FROM MINISTRY OF ECONOMY WITH RECOMMENDATION THAT COMMISSION BE ESTABLISHED TO FINALIZE LAW. COMMISSION WILL BE COMPOSED OF RUBIO; LAWYER FROM MINISTRY ECONOMY; AND REPRESENTATIVE OF CORFINA DEVELOPMENT BANK (HOLDER ALMOST ALL SHARES FLOMERCA). RUBIO HOPES COMMISSION CAN COMPLETE WORK BY WEEK OF JULY 6. PROPOSED LEGISLATION, IF ACCEPTABLE TO MINISTERS CONCERNED, WILL THEN BE LAID BEFORE CONGRESS. RUBIO HOPES TO AVOID ROUTING OF LAW THROUGH COUNCIL OF STATE FOR OPINION. CONGRESS COULD ACT EXPEDITIOUSLY PROVIDED EXECUTIVE BRANCH APPLIES PRESSURE.

2. AS DESCRIBED BY RUBIO, HIS VERSION OF LAW WOULD APPLY 5 PERCENT MARITIME TAX ON ALLINCOMING AND OUTGOING CARGO CARRIED BY ALL LINES (INCLUDING FLOMERCA). REVENUE WOULD GO TO CORFINA WHICH WOULD LOAN IT GIT TO FLOMERCA FOR WORKING CAPITAL OR DEVELOPMENT PURPOSES. RUBIO CLAIMS LAW WILL REMOVE

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PAGE 02 GUATEM 03339 280804Z

ALL VESTIGES OF DISCRIMINATION IN HANDLING GUATMALAN CARGO

BUT CONCEDED IT COULD BE ATTACKED IN CONGRESS AS INFLATIONARY.

3. THOUGH FLOMERCA PUSHING ASSOCIATION PROPOSAL (REF. A), RUBIO CLAIMS FLOMERCA SUPPORTS MARITIME TAX.

4. COMMEND: LAW MAY JUST POSSIBLY BE ITS WA R TOWARD ULTIMATE PROMULGATION, BUT TIME FRAME WOULD APPEAR TO BE WELL BEYOND PERIOD DURING WHICH DELTA MIGHT BE EXPECTED TO DELAY PETITION AND PROTESTS WITH FMC (REFS. C AND D). ALSO PRIVATE SECTOR INTERESTS WILL PROBABLY STRENUOUSLY PROTEST ANY LEVY HIGHER THAN 3 PERCENT. MELOY

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Message Attributes

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